

New Vendor Routing Tool Introduced

We are always looking for ways to improve the efficiency of our customer's operations, said Harold B. Friedman, SVP Global Corporate Development. Our new web based routing tool creates efficiency and helps our customers control the carrier selection process for inbound shipments.

Vendors simply login to our web site and click on the origin they will be shipping from and the destination they will be shipping to. This can be done on a state to state basis, zip code basis or based on a region of the country. Our system will array the carriers to be used by mode. This tool also provides the contact information for the carrier that is selected.

Our Vendor Routing Tool identifies the carriers that our customers have contracts with, and as a result, helps to control and reduce transportation costs. It also helps shippers who want to create inbound pooling opportunities and eliminates congestion at your loading dock.

Customers can easily update routing instructions, eliminating the need to publish and distribute routing guides to all of their vendors. As carriers are added or discontinued, the guide can be updated immediately. To learn more about this new service feature and how it can be tied to our Routing Guide Compliance Reporting contact Cathy Candia at 609.683.3934.

Rates are Moving Up

The convergence of several factors has turned the purchase of transportation from a buyers market to a sellers market. Bear Stearns' analysts are expecting truckload rates to increase by 3.8% and LTL rates to increase by 2.5% in 2005. BB&T Capital Markets are calling for truckload rates to increase an average of 8% in 2005, up from initial projections of 5%, because freight volumes will continue to outstrip available trucks. Both of firms expect the cost of transportation to continue to increase for the next few years. This is a new experience for most shippers who have come to expect higher discounts as they consolidated their carrier base to leverage their buying power.

Increased capacity constraints in some markets and modes have clearly placed carriers in the driver's seat. For the first time since deregulation, carriers are turning

down shipments, and have scaled back their cut throat pricing tactics. The capacity constraints are most obvious in the truckload market but there are growing constraints in the LTL marketplace as well.

What do you say when your management asks why transportation expense is increasing?

Here are some key points.

- There has been a reduction in marketplace capacity caused by over 10,000 carrier bankruptcies in the past three years, with only marginal increases in capacity coming on stream.

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Rates are Moving Up continued

- The current shortage of drivers is getting worse. One key issue is demographics. Many current drivers are reaching retirement age over the next few years. The pool of new employees in the key 21 to 44 age bracket is shrinking. Stiffer testing requirements, background checks and regulation are causing carriers to turn down hard to find applicants at a higher rate than in the past. The pick-up in the economy is providing alternate employment options to potential drivers. Driving a truck is not as an attractive employment opportunity relative to the compensation and job requirements. Some large truckload firms increased driver wages by as much as 10% last year and expect to do the same in 2005.
- The HOS rules (see related article) that are currently in place are driving up carrier costs, which are being passed along to shippers. Carriers are now less likely to absorb accessorial charges, which in the past they may have waived.
- Diesel Fuel costs have risen from \$1.50 at the beginning of 2004, peaking at \$2.20 in late October and early November. At close to \$2.00 today the year over year increase is near 30%.
- The new truck engine requirements that go into effect in 2007 will drive up carrier's costs of purchasing and operating equipment.
- The congestion on the countries railroad network has resulted in the diversion of more freight to trucks.
- The economy, while not robust, has started to gain some traction resulting in increased demand for transportation services.

Hours of Services

The goal of The Federal Motor Carrier Safety Administration's work to revise the troubled driver hours of service rules continues to move at a slow pace. While this is a priority for the FMCSA, they have now indicated that they are hoping to have effective and enforceable hours-of-service rules in place by September 30, 2005. In the interim it is business as usual.

With FMCSA's focused on HOS, we will see little movement on a unified registration system, linking of medical certification to the commercial licensing process, inter modal container chassis safety, biometric identifier for commercial driver license holders, cargo security, driver eyesight requirements and several rules relating to opening our borders to Mexican trucks.

European Web Site



Willkommen bei Data2Logistics Europe

Data2Logistics, ein Unternehmen der Platinum Equity Gruppe, ist als Anbieter von Frachtprüfungs- und Informationsdiensten in den USA marktführend.

Jährlich bearbeiten wir 120 Mio. Frachtrechnungen im Gesamtwert von EUR 10 Mrd., und dank unserer 36-jährigen Erfahrung können wir unsere Kunden optimal dabei unterstützen, Logistikdaten in nutzbare Informationen umzuwandeln.

To support our European customer base and our office in The Hague Data2Logistics released the first of a series of translations of our web site. The European versions are not a literal translation of our US web site said Thomas

Otte, Executive Director of Data2Logistics Europe. The services that we provide in Europe include: transportation consulting services as well as multi-lingual and multi-currency reporting.

Changes at the Federal Railroad Administration

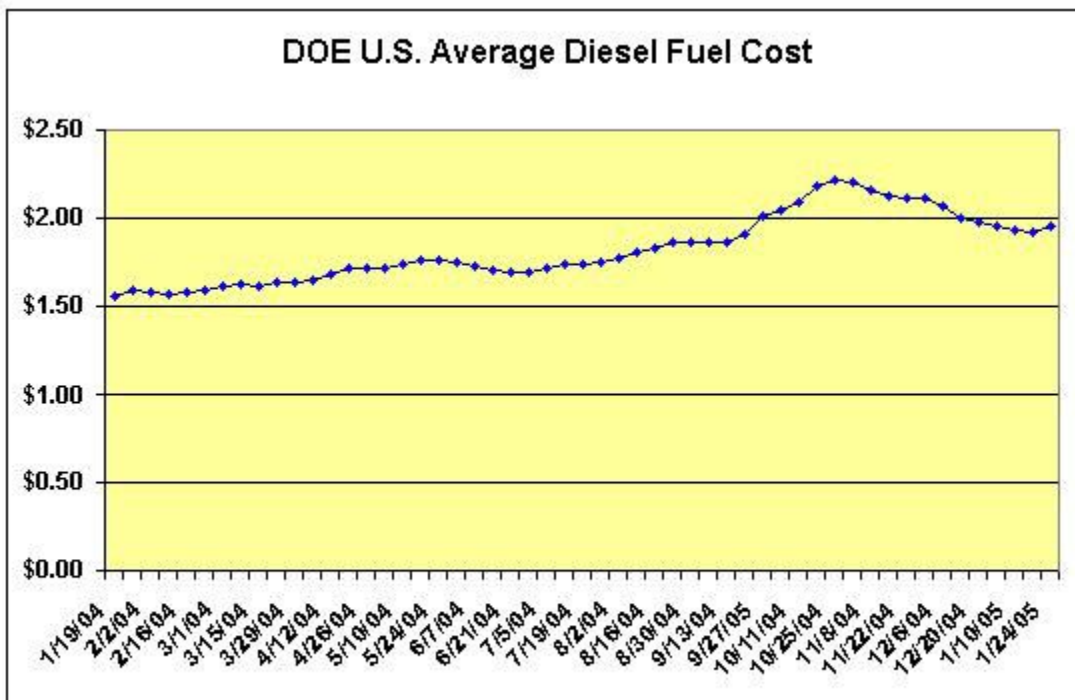
The New York Times has reported that some railroads have sidestepped their responsibility in crossing accidents, by mishandling evidence and failing to properly report hundreds of fatalities. This raised questions about whether the railroad agency was too close to the railroads

it oversees. With two federal investigations underway into the agency's oversight of rail safety, Betty Monroe is stepping down as acting head of the Federal Railroad Administration.

Looking For Your Shipment – Ask Google

Google has introduced a new search feature that provides shipping information from Federal Express and United Parcel Service. This is part of the company's latest move to expand beyond keyword searches. Google takes people directly to the FedEx or UPS Web page containing the location of a particular package when they type in

their parcel tracking number into its search site. The new "Search by Number" feature also brings up information linked to other kinds of numbers, such as patent numbers, equipment identification numbers issued by the Federal Communications Commission, and airplane registration numbers from the Federal Aviation Administration.



Contact Us

If you have any questions, comments or concerns, please go to our Web site at www.data2logistics.com or contact Harold Friedman at 609-683-3917 or via e-mail at Harold.friedman@data2logistics.com.

